
REDACTED

"Andy" <andy@agchaiti.com>

To "Rick Medlin" <rmedlin@fruit.com>, "Rick Medlin"
<frultrdm@mycingular.blackberry.net>

12/15/2006 03:44 PM

cc

Subject: MEDIATION

Dear Mr. Medlin,

For the last 2 weeks I have been extensively traveling and trying without success, to mitigate the impact of your possible upcoming decision.

I am hereby confirming my telephone call inviting you to participate in a nonbinding mediation process where our counsel, you and I can meet as soon as possible to attempt to reach a resolution of the dispute between Russell and Premium Apparel. I am suggesting such an approach because our direct discussions appear to have reached an impasse and I sincerely believe we need the assistance of a neutral third party to help us reach a creative solution that is fair to both parties.

I will make myself immediately available if you agree to this process so that we can attempt to conclude promptly. Our counsel, can determine jointly the most appropriate place, mediator

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and mechanism.

May I suggest that while this process is on going, particularly if you can't meet in the next 2 weeks that you allow the material flow and production to continue through the end of January to allow that we both review with Serenity our options prior to any irreparable damage caused by a unilateral stop of production.

I will await your decision.

Sincerely,

André M. Apaid

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